



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

October 6, 2005

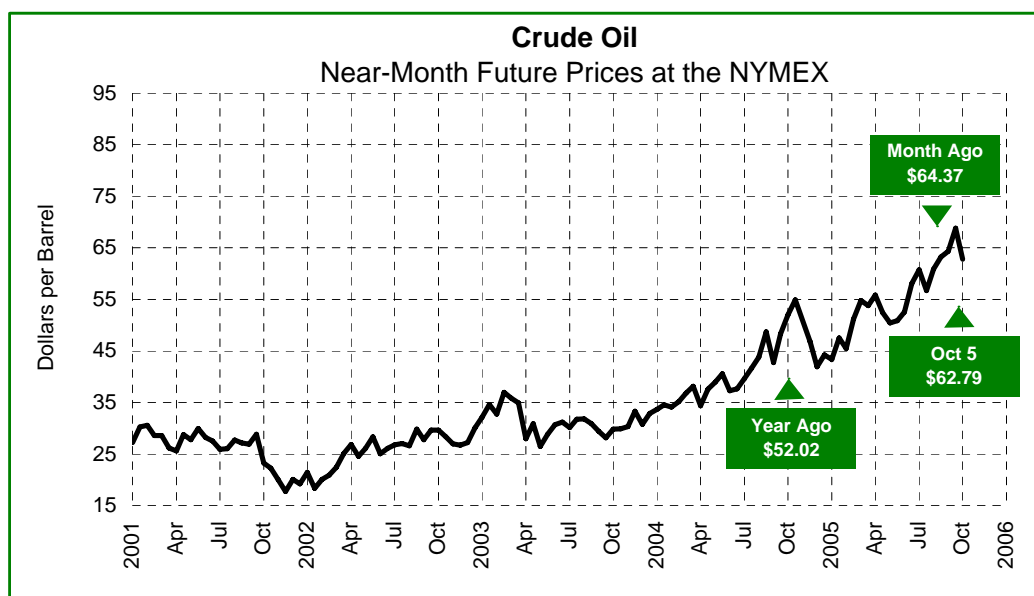
Crude Oil

On Oct. 5, NYMEX crude oil futures closed at \$62.79 based, in part, on stable crude supplies and expectations of on-going lower consumer demand for petroleum products.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>10-05-05</u>	<u>09-07-05</u>	<u>change</u>	<u>10-06-04</u>	<u>change</u>
NYMEX	\$62.79	\$64.37	down 2%	\$52.02	up 21%

- Crude oil futures for November delivery on the NYMEX ended \$1.11 lower on October 5 to settle at \$62.79 per barrel as demand worries outweighed U.S. Energy Information Administration (EIA) data showing larger-than-expected drops in refined product supplies and a small draw in crude inventories. Front-month crude has fallen 4 days in a row and is down more than \$8, or 11%, from the August 30th record of \$70.85.
- With several U.S. refineries still shut due to Hurricane Katrina and Rita, refinery runs fell by nearly 17 percent to 69.8% of capacity, the lowest utilization rate since the government started keeping weekly records in 1990. The EIA said it had monthly statistics from 1985 and that refinery operations for the week ending Sept 30 was lower than data for any month back to that period. The refinery input, at 11.7 million barrels per day, was the lowest since the week to March 6th, 1987, when runs averaged 11.667 million bpd and the refinery use rate was 77.6%.



- According to the U.S. Minerals Management Service (MMS), as of Thursday, Oct. 6, an estimated 1,202,364 barrels of oil production per day were shut-in which equates to 80.16 percent of the normal daily oil production in the Gulf Region.
- Domestic crude oil stocks fell 300,000 barrels to 305.4 million barrels for the week ending Sept. 30, yet remain 31.4 million barrels higher than this time last year. In spite of lower crude oil imports and U.S. oil production (8.1 and 3.8 million barrels per day, respectively), crude stocks were relatively unchanged due to lower U.S. refinery operations for the week ending Sept 30.
- Crude oil imports for the week ending Sept. 30 were down significantly, by 1.6 million barrels per day to 8.1 million barrels per day.

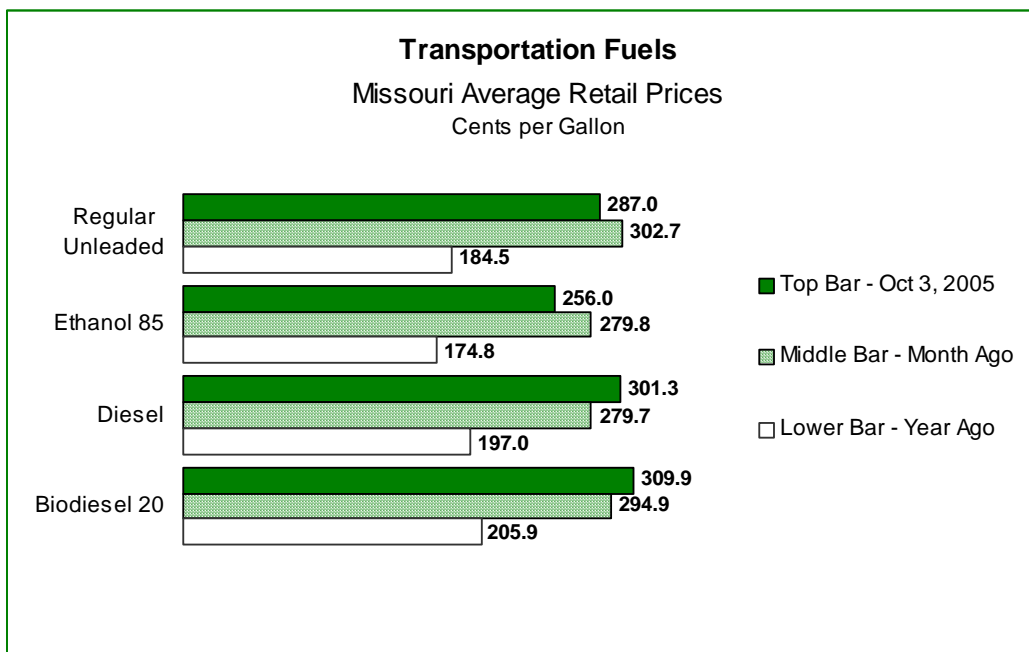
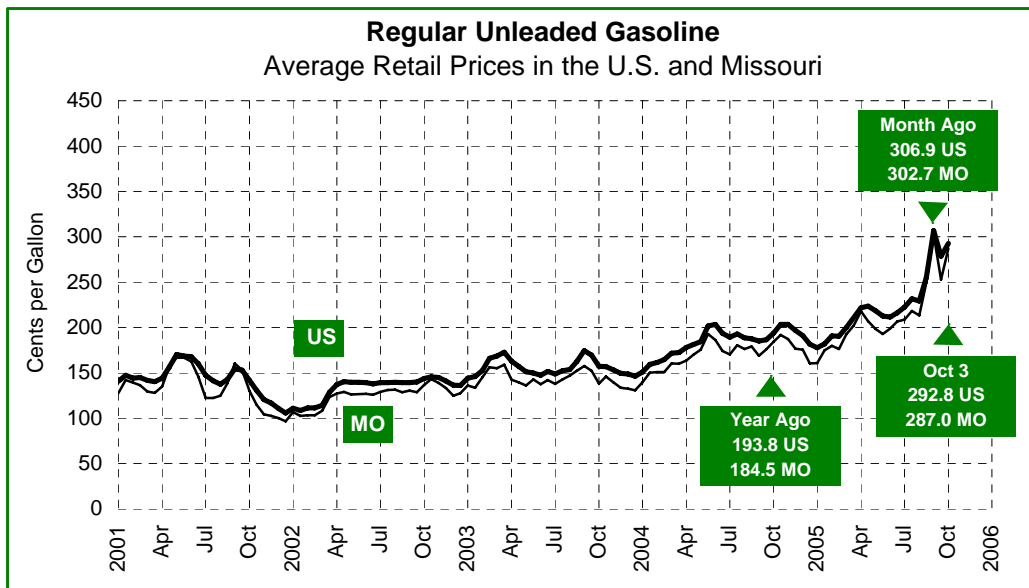
Transportation Fuels

On Oct. 3, Missouri's average retail price for regular unleaded gasoline was \$2.87 per gallon, a decrease of 15.7 cents or 5% from last month, yet 56 percent higher than this time last year.

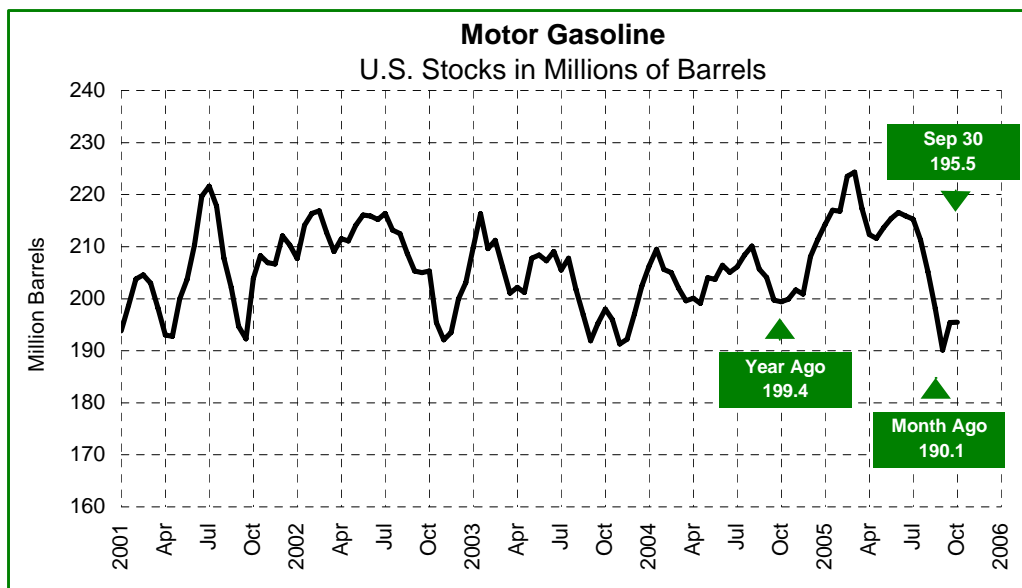
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-03-05</u>	<u>09-05-05</u>	<u>change</u>	<u>10-04-04</u>	<u>change</u>
US	292.8	306.9	down 5%	193.8	up 51%
Missouri	287.0	302.7	down 5%	184.5	up 56%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-03-05</u>	<u>09-05-05</u>	<u>change</u>	<u>10-04-04</u>	<u>change</u>
Missouri	301.3	279.7	up 8%	197.0	up 53%

- NYMEX November gasoline futures settled \$0.1079, or 5.3%, lower at \$1.9078 per gallon on Wednesday, Oct. 5, after dropping to a low of \$1.90, the lowest since September 19th. Gasoline futures are down for the 5th consecutive day and have now fallen 35% from the record \$2.92 hit on August 31st in response to lower consumer demand.
- Missouri's statewide average gasoline and diesel retail prices are now 56 and 53 percent higher, respectively, than at this time last year. Missouri's average retail price for diesel increased 21.6 cents from last month due to lower domestic supplies and production levels. U.S. retail gasoline prices hit a record \$3.07 per gallon a week after Hurricane Katrina struck in late August.
- Implied U.S. gasoline demand is relatively unchanged since mid-Sept. at 8.8 million barrels per day, which is 2.6% below the same period last year when demand stood at 8.9 million barrels per day.
- Distillate stocks, which include heating oil and diesel fuel, were down 5.6 million barrels to 128 million. Distillate production fell to 3.0 million bpd from 3.7 million bpd the week before, but supplies are still up 4.6 million barrels from a year ago. Imports rose 126,000 bpd to 310,000 bpd to cover lost production.
- Distillate demand for the week ending Sept. 30 was up slightly at 4.0 million bpd, but the four-week average of 3.9 million bpd was down 3.8% from a year ago.



- Midwest Region motor gasoline supplies fell by 1.5 million barrels to 50.9 million barrels as of the week ending Sept. 30 but are slightly higher compared to gasoline supplies at this time last year.
- The EIA said that for the week ending September 30th, U.S. gasoline stocks fell 4.3 million barrels to 195.5 million barrels. Stocks are down 9.4 million barrels from a year ago.



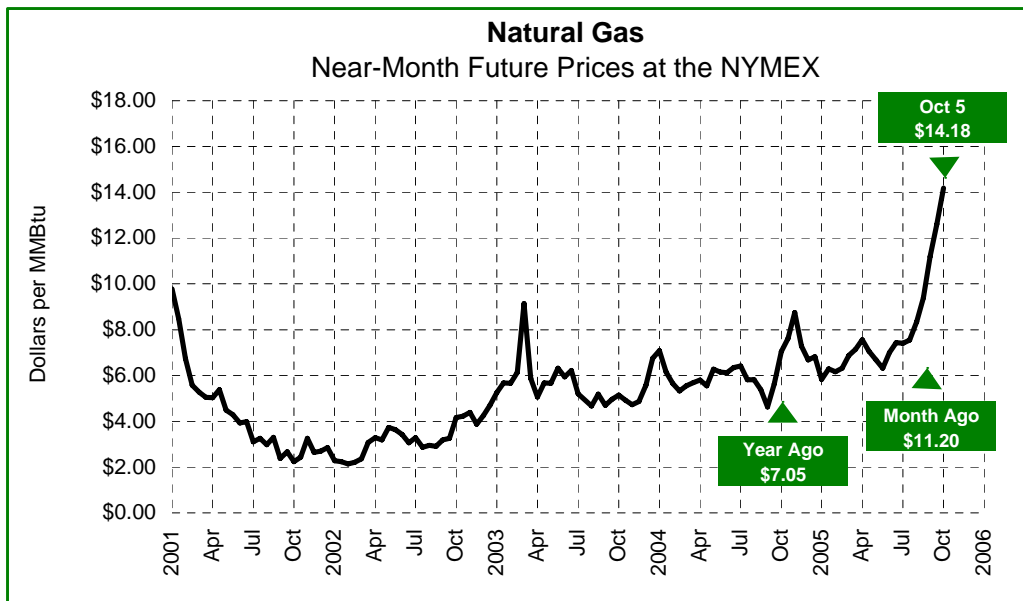
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Oct. 5, natural gas futures closed at \$14.18 per MMBtu, an increase of \$2.98 since last month and \$7.13 or 101% higher than this time last year due to shut-in natural gas production in the Gulf of Mexico.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	10-05-05	09-07-05	change	10-06-04	change
NYMEX	\$14.18	\$11.20	up 27%	\$7.05	up 101%

- Natural gas spot prices increased at all U.S. market locations ranging from \$1.06 per MMBtu to \$3.18 per MMBtu since last Wednesday, September 28, as shut-ins of natural gas production in the Gulf of Mexico continue. The November futures contract settled at \$14.183 per MMBtu on Wednesday, Oct. 5, which is 8 cents per MMBtu or less than 1 percent higher than last week.
- According to the EIA as of Sept. 8, the current outlook for the upcoming winter (October 2005 through March 2006) yields expectations for energy expenditures for natural gas to be approximately 50 percent more than the winter of 2004-2005 for an average household. Prices are expected to range from \$11 to \$13 per thousand cubic feet (Mcf) through the end of 2005.
- Working gas in storage increased to 2,929 Bcf as of Friday, September 30, which is 1.4 percent above the 5-year average inventory level for the report week, according to EIA's Weekly Natural Gas Storage Report. During a week in which hurricane-related production shut-ins continued at approximately 70 percent, the implied net injection of 44 Bcf was well below both the 5-year average of 72 Bcf and last year's injection of 79 Bcf. New production losses from Hurricane Rita and continued natural gas production shut-ins from Hurricane Katrina reduced supplies by an estimated 48 Bcf from the Gulf of Mexico during the report week.



Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.689 per gallon on Oct. 3, up 11.6 cents from a month ago, and \$0.33 or 24 percent higher than a year ago.

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>10-03-05</u>	<u>09-05-05</u>	<u>change</u>	<u>10-04-04</u>	<u>change</u>
Missouri	168.9	157.3	up 7%	135.7	up 24%

- On Oct. 3, Missouri's average statewide price for propane was 168.9 cents per gallon. This is 11.6 cents or 7 percent higher than the average price from the previous month and 33.2 cents or 24 percent higher compared to the same period last year.
- U.S. inventories of propane increased for the week ending Sept. 30 due to strong imports that more than offset the sharp decline in U.S. production resulting from idled refinery and natural gas production in the Gulf Coast region. U.S. supplies of propane moved up to an estimated 68.6 million barrels.
- Midwest Region propane supplies fell 670,000 barrels or 3 percent to 23.854 million barrels as of Friday, Sept. 30. The decrease in supply was due to increased residential and agriculture demand in preparation for crop drying and space heating.
- According to the EIA as of Sept. 8, the outlook for the upcoming winter (October 2005 through March 2006) anticipates a 40 percent increase in propane space heating costs for Midwest households compared to the winter of 2004-2005 with prices ranging from \$1.837 to \$1.855 per gallon.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm